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A

LETTER

TO A

FRIEND,

Concerning the

PROPOSALS for the Payment of the NATION'S DEBTS.

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BRITISH MUSEUM

38. b. 9 / 572.

A LETTER TO A FRIEND, &c.

SIR,

YOU having desired of me an Account of Affairs here, since the first Motion was made for Proposals to pay off the Nation's Debts, I give you the following Account.

The *South-Sea* Company first started the Game, and having very good Friends in this City, we were in expectation what Pro-

Propoſals they would make to the Parliament of *Great-Britain*, in order to diſcharge the Nation of the heavy Load of Debts they lay under.

The Bank having ſubſiſted ſo many Years, and always been the Reſource of the Treaſury in times of the greateſt Diſtreſs, thought themſelves intitled to the Management of the publick Moneys: they could not ſit ſtill and ſee a new upſtart Society of Men in reſpect to them, ſtart up on a ſudden, and ſtrip them of the Prize of the publick Funds; and therefore ſummoned a General Court, in order to ſee if they could not appropriate that precious Morſel to themſelves.

The Day was fixed when both attended, and their Propoſals being printed, it appears in the following Light.

The *South-Sea* Gentlemen begin their Propoſal with the Prelude of their Zeal, and Readineſs to contribute to the reducing the National Debt. God knows, no private Intereſt could induce them, and towards that end they would advance three Millions, five Hundred Thouſand Pounds, *Gratis*, for the publick Service.

The Bank without any pretence of Zeal for the publick Good, made a plain Propoſal, which hapning to be about two Millions more than the *South-Sea*, the whole Current ſeemed to incline towards them.

But

But the *South-Sea* were not at all dismayed, tho they found themſelves ſo far out-bid, nor did want any aſſurance (notwithſtanding their Profeſſions, that nothing but their great Zeal for the Publick, and to eaſe the Nation of the heavy Burden of their Debts, had ingaged them to offer three Millions and a half) to tell the Publick, that ſince they would not be bubled by that Offer, and that the Bank had offered five Millions and a half; truly they would give four Millions above their firſt Offer, which would be two Millions more than the Bank, to revenge themſelves for their having offered two Millions more than they; and for fear the Bank ſhould leap four Millions at once, as they had done, they ſtill ſay, as they were the Society that made the firſt offer, ſo they declared they were willing to do it on any Terms that any other Society ſhould propoſe.

But the Probity of People, who have certainly no ſeparate Intereſts, and only the real publick Intereſt in View, prevailed on them to think the publick Spirit, that appeared in both Societies for the publick Good, ought to be circumſcribed, leſt out of their great Zeal they ſhould deſtroy one the other, by coming up to offer ten or twelve Millions; which tho it would be a great Eaſe to the Publick would take away

way too great a part of the Gain of ſo publick a ſpirited Society.

In Proſecution of this Affair, all the World allowing that the *South-Sea* Propoſal was the moſt beneficial to the Publick, there could be no Objection to the not joining iſſue, for the good of the Publick, with the beſt Offer.

When Affairs were come to this Determination, there was no room for any further Propoſals; the *South-Sea* Company they were raviſhed with Joy for their Succeſs, while the Bank were raving for their ill Fortune.

I reſolved one Morning to make thoſe two Ladies a Viſit, and ſee how the one triumphed in her good Fortune, and how the other bore her Adverſity.

I viſited the Lady of the *South-Sea* firſt, ſince ſhe was now worth as many Millions, as the other would be Thouſands in a little time; when I entred her Manſion, nothing but Joy and Satisfaction run thro the whole Family from the higheſt to the loweſt: I went directly to her Ladyſhip's Apartment, and there I ſaw her ſeated on her Throne in a moſt magnificent manner: on her right Hand was, in Figures Capital, twenty ſeven Millions; on her left Hand was, a Million three hundred and fifty Thouſand a Year Income, and over her Head was Stock at two Hundred *per Cent.* riſing. At

At her Feet were the poor Annuitants in Mourning, petitioning to be admitted Sharers in the glorious Harveſt: But ſhe ſpurned them from her with theſe Words, *No long Annuities.*

I then went to the Lady *Bank:* The whole Family were in deep mourning, and look'd diſmally. I went to her Apartment, and found ſhe had quitted her Throne, and ſat at the Foot of it, in deep Mourning: On her right Hand was wrote, *Reduc'd to one Million Six Hundred Thouſand Pounds*; on her left hand writ, *One poor Hundred Thouſand Pounds Income.* Over her Head, in great Letters, REDUCED, and (in ſmall Letters) *to* 20 *per Cent.*

The Object was too melancholy to be entertaining, when I conſidered her former Glories, and how often I had ſeen her wallowing in her Millions; and that I had ſeen her chief Servants, being twenty ſix in Number, come from the Treaſury in a Morning, with a thouſand Guineas a Man, and three thouſand to the two Chief, to make up juſt thirty thouſand amongſt them. It gave me a melancholy Idea of the Viciſſitude of human Affairs. And as I was retiring, I look'd into a little Parlour, where ſat a Parcel of her old Servants, who under her auſpicious Reign had rais'd themſelves to be worth two, three, and four Plumbs a Man: They were in private Diſ-

courſe, and ſpoke ſo low, I could hear only ſome broken Words, *Buy long Annuities, Lock up our Caſh, Diſtreſs, Upſtarts, Revenge and Ruin.*

I then ſaw their Malice and Envy at the fortunate Bargain their Siſter had made; and at laſt they fell to downright quarrelling, complaining one of the other in moſt bitter Terms, *We could have given ten Millions for this Bargain, and yet got more by it than the others at ſeven Millions and a half: Our Stock would have been at Two hundred and twenty, and perhaps Two hundred and fifty. O glorious Proſpect! But it's gone, vaniſhed, and paſt Retrieve.* And ſo I left the old Miſers to lament their Condition.

I then began ſeriouſly to enter into the Conſideration of this Affair, and how it ſtood in reſpect to the Publick; for the Joy of the one, and the Grief of the other, gave me no Idea of what Concern the Publick had in this Affair. I had only before me the private Intereſt of each Company, which ſhewed it ſelf in the different Paſſions of Succeſs and Diſappointment, natural to ſuch Societies.

I then took their Scheme into Conſideration, and found that the generous Principle of the *South-Sea*, in their Zeal for the Publick, in the Offer of three Millions five hundred thouſand Pounds at firſt Word, for the Service of the Publick, could never

ver be enough applauded, had they not unluckily found out a Miſtake to the Prejudice of the Publick, of no leſs than four Millions. Indeed, the Propoſal of the *Bank* had ſet that Matter in a better Light, by finding two Millions might be given by them for the publick Service more than the *South-Sea* Company had offered: But ſtill they were afraid, that as the *Bank* had made ſuch a Diſcovery, ſo they might make a further; and ſhould they advance four Millions on their ſecond Propoſal, as they now did, they ſhould be ſtill diſtanced by two Millions. To avoid the Loſs of ſo deſirable a Bargain, they ſtill add, as a certain Indication that they had gone the fartheſt Lengths they could poſſible in the Service of the Publick; yet ſtill they had ſuch a Zeal for its Service, they would ſtill ſerve them on the Terms any other Society ſhould propoſe; only deſiring, in return, that as they open'd this Matter before any other Society, ſo it might entitle them to the Preference.

When I conſidered that thoſe Gentlemen had ſhewn ſuch early Deſires, and acted with ſuch Probity and Candour, to eaſe the Nation of their Burden, I began to think what Reward the Gratitude of the Nation ought to decree them: for ſince they could not put their Bubble of Three and a Half Millions on the Nation, they

now offered Seven Millions and a Half, and a greater Sum, if any other Society would give it: I ſay, when I conſidered this, I ſhall leave to others what Reward ought to be decreed them in return of their Sincerity.

Who can enough lament the Miſery of a Nation ſurrounded with ſuch People who wait for nothing but to prey on the Body of the Publick, and yet ſtill to be under a neceſſity of making uſe of them! And I cannot enough lament the publick Misfortune, in not letting the two Companies extend their publick Spirit; ſince I am entirely ſatisfy'd, had neither Propoſal been cloſed with, the Nation would have had at leaſt Ten Millions; and I muſt frankly own, I have no Concern nor Regard but for the Publick Good. And certainly Two and a Half Millions Capital, and One Hundred and Twenty-five Thouſand Pounds the Intereſt, added to the ſinking Fund, would have been a glorious Article for the Publick.

But what is the moſt to be reſented in this Affair, is the nature of the Propoſal of the *South-Sea*; which tho more in Millions, yet being on ſuch Conditions, may bring in leſs Money to the Publick, than the Propoſal of the *Bank*: for by offering, as an Argument of their Sincerity, to bring in the Irredeemables, they lay themſelves under a Penalty of one Year's Purchaſe;

chaſe; that is, of the Ninety-nine and Ninety-ſix Years, but not a word of the Thirty-two Years: So that by paying the Forfeiture, it will bring in but Four Millions Six Hundred Sixty-ſeven Thouſand Seven Hundred and Five Pounds, inſtead of Seven Millions Five Hundred Sixty-ſeven Thouſand Five Hundred Pounds propoſed, and the Irredeemables not to be meddled with until the 1ſt of *March* Seventeen Hundred and Twenty one: ſo that the Nation until after the 1ſt of *March* Seventeen Hundred Twenty One, which is two Years, are tied up; ſo that let any Society of Men whatſoever offer to relieve the Nation of the Burden of the Irredeemables, it's not in their power to agree, let it be ever ſo beneficial, until the expiration of that time: ſo when theſe Gentlemen have got in the Harveſt of the Redeemables, they will then, perhaps, think it worth while to treat with them. In the mean time, they have prevented any other Society of Men to treat of eaſing the Burden of the Nation; and the Redeemables and Irredeemables being at Par almoſt as to the Debt, ſo any other Society would have an equal Stock, the Greatneſs of which would vie with theirs; and being perhaps in better hands, ſink theirs; which ſuppoſing but Five *per Cent.* is One Million and Three Hundred and Fifty Thouſand Pounds, and

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they loſe by the Penalty but Two and a Half *per Cent.* on their Stock, which is about that Sum.

I muſt own, there never was a Propoſal ſo artfully made to deceive a Nation, by putting a Penalty, and declaring it was to manifeſt their ſincere Intentions, when at the ſame time it appears that it was put in to delude the Nation; for 'tis manifeſt it's not their Intereſt to take in the ſaid Annuities, ſince the taking them in at any reaſonable Price, muſt ſink the Value of the Stock in a much greater proportion than the Penalty. And as Intereſt will never lye, ſo I think it's manifeſt it's not theirs to touch one Annuity at above the Par of the Redeemables.

To ſet the matter in a clear Light, the Redeemables with Five and Four *per Cent.* Intereſt come to them at Par, but the Irredeemables muſt be bought. Now every Year's Purchaſe they give is ſo much loſs to them, except about half a Year's Purchaſe, being the difference betwixt Fifteen Millions NineHundred ThouſandPounds at Par, coſting Four Millions; and Fifteen Millions and Fifty-ſeven Thouſand Pounds coſting Three Millions Five Hundred Sixty-ſeven Thouſand Five Hundred Pounds; except in the Article of Fifteen Millions Nine Hundred Thouſand Pounds there are Four Millions at Four *per Cent.* which makes

makes ſome Alteration: but that was endeavoured to be made up in their Demand annexed and ſigned to be added to their Capital, in the annual and principal Sums, where they demand One Million five hundred and forty four thouſand Pounds annual to be added; whereas only one Million five hundred ſeven thouſand and five hundred Pounds is their Demand, when ſtated according to the Words of their Propoſal.

The Propoſal of the *Bank* was indeed but five Millions five hundred thouſand Pounds; but as they offer ſeventeen hundred Pounds Stock to every Annuitant poſſeſs'd of a hundred Pounds *per Ann.* in the Annuities of Ninety nine and Ninety ſix Years, and in that Proportion to the Annuitants of Thirty two Years, ſo in all probability the whole Sum would have come in. Whereas, by the Propoſal of the *South-Sea*, they are ſure of but four Millions, and after two Years waiting, the Penalty of one Year's Purchaſe; and then the Government left to ſeek how to get themſelves free from the Slavery of thoſe Annuities, which perhaps they may not get off at Par, and ſo three Millions capital Loſs to the Nation, and one hundred and fifty thouſand Pounds *per Ann.* Intereſt to be added to the ſinking Funds. And I cannot but obſerve that the *South-Sea* Propoſal

poſal only offers the Year's Penalty on the long Annuities, but no Penalty on thoſe of Thirty two Years, which, according to the way of calculating, that Four and half *per Cent.* will come to three Millions five hundred ſixty ſeven thouſand five hundred Pounds, is but one hundred twenty one thouſand ſix hundred and ſeventy Pounds Penalty they have excus'd themſelves from; which I believe no body has taken notice of, and is ſtill a further Indication that they deſign not to meddle with one or the other.

But Matters having come ſo far, and a Propoſal accepted, how far the Honour and Faith of the Nation is engaged, in all Events, to make good ſuch an Agreement, ſince a great many People have purchaſed at high Rates in the *South-Sea* on that Foundation, and that if it ſhould not be agreed to, that Stock would fall, to their great Loſs, and People not truſt the publick Faith (as they underſtood it) again:

The Nation is certainly obliged to make good with the greateſt Regard thoſe Acts, as the only Foundation on which publick Credit can ſupport itſelf, which ought to be ſacred in all Events. But how far a Propoſal agreed to binds the Legiſlature to paſs it into an Act, is what I think does deſerve very mature Conſideration: And it's plain that Queſtions agreed to in the Committee,

and

and reported to the Houſe, and agreed to, have, at the committing the Bill, or at the third Reading, been thrown out: Even after having paſs'd the Houſe of Commons, they have been rejected by the Lords, without any Breach of the publick Faith. Therefore the rejecting this Bill cannot be called a Breach of publick Faith.

But it may be ſaid, That People will loſe by ſuch a Reſolution. But is it not their own Fault? Could they not have had a little Patience until the Act had been paſs'd? Or muſt the Legiſlature be circumſcrib'd by them? Or ought they to have any Regard to Particulars, when it comes in competition with the publick Good? Which certainly is what is the Buſineſs of every true Patriot to conſider.

It will be asked, If you do not agree with the *South-Sea* Company, will you do nothing towards reducing the publick Debts?

I anſwer, Since the two Societies entring the Liſts, they have ſhewn the Nation that the publick Funds are a Prize worth the contending for, at the Price of ſeven Millions and half at leaſt. This was a Diſcovery ſo lately made, that three Millions was thought an extravagant Offer: Will not Time and good Management daily make further Diſcoveries and Improvements to the Nation's Advantage? Why

ſhould we now cloſe and agree with the *South-Sea*, and put it out of our Power, at leaſt for ſeven Years, to improve Matters for the publick Advantage?

The Peace of *Europe* ſeems in ſo near a view, that we may ſoon expect to feel the Bleſſings it will bring: and if on the Dawn of our Hopes (for neither that of *Spain* or the *North* is yet ſecure) we can have ſuch Propoſals, what may we expect may be offered at the next Seſſions, when that Bleſſing ſhall be confirmed to us?

It may be argued, But ſuppoſing the happy View ſhould meet with any unforeſeen Event to ruffle the Proſpect, would it not then have been happy had this Propoſal been agreed to? I anſwer, No; becauſe in ſuch a caſe the *South-Sea* Company would have been diſabled to have complied with their Propoſal. And ſince only Quiet can make any of theſe Propoſals effectual, and the Publick taking under their Protection, and giving all Aſſiſtance poſſible to ſuch Society or Societies that ſhall undertake the publick Debts; I ſay, ſince this muſt be the caſe, will not the Propoſal augment as the Quiet ſhall ſeem more confirm'd, and the Publick in a better Capacity to ſupport the Undertakers?

But ſuppoſing it may be thought neceſſary, ſince matters have gone ſo far, (not to throw cold Water on an Affair of ſuch

Conſequence, and do nothing this Year towards the reducing the Debts of the Nation) ought we to let the *South-Sea* Company have their Propoſal confirmed to them, without having any Certainty that they will do any thing to bring in the Irredeemables, and ſo the Nation be fruſtrated of Three Millions they expected, and One Hundred and Fifty Thouſand Pounds *per Annum* to the ſinking Fund?

Since the *South Sea* Company have pleaded a Merit, in being the firſt Propoſers; ſuppoſe, ſince they have the Redeemables, they ſhould quit the Irredeemables to any other Society that would offer the ſame Terms of Three Millions and a Half, and they thereby be alſo quit of the Penalty of Six Hundred Sixty-ſeven Thouſand Pounds? Surely they could not refuſe ſuch a Propoſal; or if not, make ſuch an Offer as to ſatisfy the Government they do deſign to take them in.

Now, I no ways doubt but the *Bank* would greedily accept this Share in the publick Debts; and tho they might not come to the ſame Encouragement of Seventeen Hundred Pounds Bank for every Hundred Pounds *per Annum* in the Annuities of Ninety-nine and Ninety-ſix Years, and the Thirty-two Years in proportion, yet they might come to give Fifteen Hundred Pounds Stock, and in proportion for the

other Annuities, and pay for the publick Service Three Millions and a Half, with this Condition, That they ſubmit in the Year Seventeen Hundred Twenty-ſeven to be equally reduced to Four *per Cent.* with the *South-Sea*; with this Proviſo, That all Moneys ariſing on the ſinking Fund towards the diſcharge of the publick Debts, be apply'd to the diſcharge of the Debt due to the *South-Sea* Company, and no part of the Fund of the *Bank* be paid off until the whole Debt of the *South-Sea* be diſcharged, in recompence for their taking this Bargain; and that the Four Millions to be advanced by the *South-Sea* Company ſhall be paid in on their Fund, and the Three Millions Five Hundred Thouſand Pounds on the Fund of the *Bank*, and the ſinking Fund until the Year Seventeen Hundred and Twenty-ſeven, be equally appropriated to pay on each Fund in proportion to their Capitals, and then the ſinking Fund be wholly appropriated to the diſcharge of the Debt of the *South-Sea*.

This will make a ſort of an Union or Coalition betwixt the two Societies, ſince they will be embarked in the ſame Intereſt, and will quell thoſe Piques and Animoſities, which I own I am apprehenſive of.

And I cannot but own I am much rather for this Diviſion, becauſe I conſider

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where Riches are, there will be Power; and tho the *South-Sea* ſhould make a reaſonable Offer, ſo as to ſatisfy the Nation they will take in the Irredeemables, yet I wiſh ſtill the Prey could be divided: For I think it's worthy the greateſt Conſideration to lodge forty two Millions with two Millions one Hundred Thouſand Pounds Income, in the hands of any one Society of People, and in reality transfer the Exchequer into the City. All that I have ſaid above is, in caſe it ſhall be reſolved to go on, on the foot of theſe Propoſals, tho I am ſatisfied it's not for the Intereſt of my Country to accept them, even with the Alternatives; for it's my fix'd Opinion a Delay will give time, and be productive of more valuable Propoſals for the publick Benefit.

The *South-Sea* Stock have the Load of eleven Millions and a half, the Bank of five Millions and a half, that muſt come in for an equal ſhare of the Profit that ſhall ariſe by this Propoſal. Now, if a new Society of People ſhould riſe, and offer to diſcharge the publick Debts, the proportion would be equal to all the Subſcribers, in the Profits, and ſo certainly they can make a better Offer for the Publick.

I ſhould not doubt but that againſt next Seſſions, there would be an Offer of twelve Mil-

Millions, which will be four Millions and a half more, and consequently two Hundred and twenty five Thousand Pounds added to the sinking Fund: for these Proposals have laid things so open to the View of all Mankind, that Time must certainly produce new Schemes, and new Improvements.

If so many Bubbles can be set on foot for Millions and Millions, why may not there be expected one on so solid a Foundation, as the Government's Security? Such a visible Fund will certainly have great Weight, and the reasonableness of the thing will bear its Weight, without any Tricks, or Stock-Jobbing to support it.

Having mentioned Stock-Jobbing, I shall enter into the fatal Consequences I have always seen to attend so pernicious a Trade, in relation to the Publick; and tho it may be argued, that it's not a Time to make an Act to prohibit it, now when the Nation is making a Bargain, to which that Trade may be propitious: I answer, I do not mean an Act to prevent buying and selling of Stocks, for the delivery in eight or ten Days; but I mean that Trade that is drove by the giving of Money for their refusal, or the Putt of Stocks for stated times, for by these Bargains, it's in the Power of a sett of Jobbers to raise or sink Stock as they please. For Instance, when

when all their Money is diſtributed for the refuſal, then is their time to advance Stocks, and when they are come to a certain height, demand the Stock: as ſoon as ever that is over, then to give out Money for the Putt of Stock; when having diſtributed what they think fit, then it's their Buſineſs to go ſinking the Stock, and when they ſee their time, demand the Money for the Stock, or the Difference, and ſo keep things in a continual Fluctuation, for a ſettled Price is the deſtruction of the Jobbers. Now if nothing is ſold but what is paid for, all their Tricks muſt end, and the true Intrinſick Value of our Stocks needs no Tricks, their own Weight will carry them up, when no formed Deſigns, by giving out ſmall Sums for time, can be carried on to depreſs them.

I have thus freely given you my Opinion of the State of our publick Debts at this Juncture, and ſhall no ways doubt but the true Intereſt of the Nation will be conſidered, and that thoſe that are employed by their Country, will diſcharge it with that Integrity the Nation expects from them.

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